

# Magna international assignment



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BUSTER**

Magna is a Canadian corporation that primarily focuses on designing and engineering automotive parts. It is a multinational firm that has facilities scattered all over the world. Magna produces exceptional and high quality goods and services for its customers. It realises an excellent opportunity in the Chinese automotive business because China's astonishing sales and manufacturing growth is the reason Asia dominates the world's automotive Industry.

Magna concluded that China is a place where this company will become a stronger business. One of the opportunities Magna realises in China is the rapid increase in economic development which will assist the corporation to sustain customers needs. The second opportunity is to invest in social corporate responsibility and it could be suggested from the gathered information on Magna's web site, to try and end child labour and hire over eighteen years old workers who used to work for Magna's competitors and employ them to work for decent wages, therefore attracting companies that value moral conduct (Magna. 2013). About Magna. Global Working Conditions). About Magna Magna International was founded by Frank Stronach in 1969 (Magna. (2013). About Magna. Our Founder (p. 1)). It's headquartered in Aurora, Ontario. It is one of the largest companies in Canada that manufactures car parts on a worldwide scale (Dexter, B. (1997, October 9). More expansion seen for Magna headquarters. Toronto Star) Magna always pursues innovation in technology and continuously searches for new and enhanced solutions for their partners and endeavour for top quality at competitive prices and customer satisfaction (Magna. (n. d. ).

Vehicle Engineering & Contract Manufacturing (P. 3)). Magna has a wide range of services that contains five product groups engineering services, Vehicle Contract Manufacturing, fuel systems, battery systems for renewable energies and roof systems (Magna\_ (n\_d)\_ Vehicle Engineering & Contract Manufacturing (P. 2)). Magna made a profit of 23.3 million dollars at the end of the year 2007, up from 19 million in its previous year (Norris, G. brand, although it makes car parts for various car brands some of them are Infinity, Hummer, Chrysler, Fiat, Bentley, BMW, Bugatti, Buick, Cadillac and Mercedes-Benz (Magna. n. d. ). Our Customers). Judging by this list, Magna is a competitive vehicle parts manufacturer because most of its customers construct high quality vehicles that exceed one million dollars, I can only conclude that Magna is not like any other company in the industry, it manufactures high quality products. Validity of business in China Magna has been gradually expanding in Asia since the mid-90s and today has almost 10,600 employees at 40 manufacturing locations and 19 product development, engineering and sales offices. Asia is a diversified region and also a highly populated continent.

It is currently experiencing rapid growth and industrialization. It is dominating the world's automotive industry mostly because of the extraordinary sales and manufacturing growth in China (Magna. (n. d. ). Asia. ). " Tianjin is the sixth Powertrain location in China since their first site in Changzhou in 2005, and it represents Magna's twenty sixth manufacturing facility in the country'(Magna. (n. d. ). News Release (p. 4)). Opportunity The Chinese government likes to think it is a socialist economy, countries perceive China as a capitalist economy.

This, makes doing business in China less controlled by the government.

Since China is experiencing manufacturing growth and labour there is cheap, it would make perfect sense for Magna to seize the opportunity and get in the Chinese automotive industry by opening a factory and compete with other businesses in the industry. On Aug 27, 2013, Magna opened a powertrain facility in Tianjin Airport in order to expand and meet the expected quantity and quality in a shorter period of time.

Magna's Powertrain is a 13, 500 sq. m industrial manufacturing facility constructed mainly to serve Audi and Volkswagen, and have hired about 400 employees at full production. (Young, N. M. (2013, August 27) Magna Powertrain opens manufacturing facility in Tianjin Airport FTZ. What's On Tianjin. ) " As our customers continue to expand their global manufacturing footprint, they expect suppliers like Magna to be there to support them," said Jake Hirsch, President Magna Powertrain. This new facility will serve both current and future automotive customers, and is a great example of our commitment to the Chinese market as well as customers like Volkswagen. " (Young, N. M. (2013, August 27) Magna Powertrain opens manufacturing facility in Tianjin Airport FTZ. – What's On Tianjin). To elaborate on what Mr. Hirsch has said, the more automotive companies keep growing and selling, the more they are dependent on corporations like Magna to supply those companies with more essential product in shorter periods of time with a better quality and higher quantity for competitive prices.

The only way to do so is customers expand. This way Magna will dominate the industry driving more customers like Pagani Automobili and Koenigsegg to purchase automotive parts from Magna. In future, others corporations in

the industry will fall behind and eventually get out of business, making the industry less challenging. Corporate Social responsibility benefiting Magna China is known for its extraordinarily low-priced labour. Child labour and long hours for little pay are common in China and sometimes results in workers feeling pressured and eventually committing suicide.

For instance, Foxconn factory for assembling electronics operates in many countries like the United States, yet American corporations chose to assemble their electronics in China for cheaper labour (Apple-Foxconn... ‘Slave? (2012, February 12). YouTube. ). There is an opportunity few organizations can see. It is suggested for Magna to open part time positions for inexperienced workers and provide them with training to do simple asks. Make them work fewer hours pay them higher and fair wages and make them feel like decent human beings not slaves (Magna. (2013). about magna.

Global Working Conditions. Retrieved from). As a Canadian organization, inhumane treatment, forced labour and any form of harassment must be strictly prohibited it is part of the Canadians set of morals and principles and should be applied not only in Tianjin, but also in each and every facility around the world. Powertrain is obligated to provide a sanitary and a safe working environment with required benefits for its employees (Magna. (2013). about magna. Global Working Conditions). It is suggested for Magna to open positions for such workers who used to work for Magna’s competitors.

Magna will benefit in three ways, one they don't have to invest money and time on training. Two, competitors will have to invest more time and more money on human resources and training. Three, this ethical behaviour will draw more corporations and investors who supposedly value ethical conduct to work with Magna and generate profit. References Apple-Foxconn... ' Slave? (2012, February 12). YouTube. Retrieved from <http://www.youtube.com/watch?v=9JOgRp05i94> Dexter, B. (1997, October 9). More expansion seen for Magna headquarters. Toronto Star. Retrieved from <http://search.proquest.com/library/heridanc.on.ca/docview/437739020?accountid=3455> Magna. (2013). About magna. Global Working Conditions. Retrieved <http://www.magna.com/about-magna/our-suppliers/magna-global-working-conditions> Magna. (2013). About Magna. Our Founder (p. 1). Retrieved from <http://www.magna.com/about-magna/our-founder> Magna. (n. d. ). Asia. Retrieved from <http://www.magna.com/global-reach/asia> Magna. (n. d. ). News Release. Retrieved from <http://www.magna.com/media/press-releases-news/news-page/2013/08/27/news-release—magna-celebrates-grand-opening-of-powertrain-facility-in-china> Magna. n. d. ). Our Customers. Retrieved from <http://www.magna.com/about-magna/our-customers> Magna. (n. d. ). Vehicle Engineering & Contract Manufacturing. Retrieved from <http://www.magnasteyr.com/capabilities/vehicle-engineering-contract-manufacturing> Norris, G. (2007, March 8). Magna International: [ONT Edition]. Toronto Star. Retrieved from <http://search.proquest.com/library/heridanc.on.ca/docview/439183276/abstract?accountid=3455> Young, N. M. (2013, August 27) Magna Powertrain opens manufacturing facility in Tianjin Airport FTZ. What's On Tianjin. Retrieved from <http://www.hatsontianjin.com/news-7772-magna-powertrain-opens-manufacturing->  
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